

A Work Project, presented as part of the requirements for the Award of a Master Degree in Management from the NOVA – School of Business and Economics.

How to grow Renova's business out of the tissue category in Portugal?

Product and Price Strategy

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Product Strategy

“Marketing planning begins with formulating an offering to meet target customers’ need or wants” (Kotler & Keller, 2016). Derived from the outcome of the presented project, Renova will launch a men’s grooming product’s line¹ under the name of the brand – Renova Men (RM).

Range Policy

Renova will develop the brand through a brand category extension, extending the existing brand name to a new product category, while launching men’s grooming products. Having this said, when creating this new line under the existing brand name, it is important to understand that Renova has the ability to support that extension given its favourable associations. On the one hand, the men’s grooming line has a fit with the brand and is aligned with Renova’s identity. On the other hand, because the brand image of Renova is positive, as it was seen in the marketing research presented in the group report, the likelihood that customers might buy its new products will also be positive, in the sense that “consumers view a brand as an important part of a product, and branding can add value to a product” (Kotler et al., 2008). Because Renova has a well-regarded brand name, it will help the company entering the new product category more easily, as it gives the new product instant recognition and faster acceptance. Thus, when expanding its business, Renova has to make three product mix decisions:

Product Mix Breadth

It is important to understand the product mix of a company, meaning the complete set of all products a business offers to a market. This is made up of both product lines and individual products (Boundless, 2016). Hence, the product mix breadth “refers to the variety and number of product lines offered” (Dolan, 2015). Regarding the product breadth of Renova, the brand is currently concentrated on a single product category, namely the tissue and hygiene category.

¹ A product line “is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlet, or fall within given price ranges” (Kotler et al., 2008).

The presented work project expects Renova to offer a completely different line focusing on men's grooming products. Doing so, the company will leverage its established retailer relationships to market and sell its products, since the two lines share the same distribution system (Dolan, 2015).

Product Line Depth

The product line depth is “the number of items in a given product line” (Dolan, 2015), or Stock Keeping Units (SKUs). RM will offer 8 different products with different variations. However, as it can be seen in exhibit 1 (Exhibit 1: SKU's per year), because Renova required a maximum launch of 4 SKU's per year, each product will have 2 variations to ensure visibility on the shelf. However, there is a difference regarding men's post-shave, offering three variations, and the beard oil with only one. The reason is because the beard oil is a new product to the market, and so it would be less risky offering only one variation. In the future, more SKU's for beard oil could be offered.

It is also important to mention that the sequence of launches (outlined in exhibit 1) was determined by launching the products with the biggest market volume at the beginning, balancing the categories so that large categories would be entered early on. However, there are exceptions to this logic concerning the beard oil, the pre-shave and the aftershave. The beard oil was included in the launch year due to its innovative character. The aftershave will start with 1 SKU in the first year adding 2 more SKU in year two. This is done to accommodate the launch of deodorants in order to start with 3 products instead of 2 products yet still staying within 4 SKUs. The launch of the pre-shave is delayed to a later stage to establish the brand first to have a stronger position to face the market leader Gillette in one of their core products.

Spreading the launch of the products across several years is also done because as items are added, costs arise for design and production, inventory carrying, order processing transportation

and promotions (Kotler & Keller, 2016). In addition, this approach enables RM to lengthen the men's grooming line or add more product variants in the future, offering constantly new products that satisfy consumers' needs and wants.

Renova has also to take into account the collaborator reaction, namely the retailers (Dolan, 2015). Therefore, because RM will offer innovative products, in terms of design, focusing on the well-being, and it will launch a new product for the channel, this will attract customers to the stores, and consequently retailers will see the new items positively.

Product Item Design

The next decision to make is referred to the "actual specifications for the items it will develop and sell within each product line" (Dolan, 2015). In this section two important topics will be developed: intrinsic characteristics of the product and design policy and packaging.

Intrinsic characteristics of the product

These are the real, objective and observable attributes that can be classified into three categories: the formula of the product, its performances and its external visual aspects (Lendrevie et al., 2015). Thus, the formula of the products will be the chemical ingredients that are used for the product's composition and these are determined by the supplier and Renova, in accordance to the desired performance. In order to satisfy the pretended performances, the formula of the product must create good quality products, in the sense that "quality has a direct impact on product performance" (Kotler et al., 2008). According to the concept of the line, the products will feature natural ingredients (a differentiation between natural and organic products is provided in exhibit 2). The product development will also include the fragrance development. The fragrance will be a classy, fresh, natural and sensual one, that consumers associate with luxury and premium brands, which it is not overpowering but long lasting. The perfume will be the same to all products, since this was something that interviewed men pointed as something positive. The visual aspects are related to the packaging, and those will be specified in more

detail in the next topic. Regarding performance, the table presented in exhibit 3 shows the specificities for each item of the line, which were derived from the secondary data analysis and taking into account the competitors' products' performances.

Design policy and packaging

It is fundamental to work in the design side of the product being offered. Design refers to “the totality of features that affect the way a product looks, feels, and functions to a consumer” (Kotler & Keller, 2016). Because of the increasing competition, design is a strong way to differentiate and position a company's products (Kotler & Keller, 2016).

One of the main aspects in regards to design relates to the package. The package includes “all the activities of designing and producing the container for a product” (Kotler & Keller, 2016). Packaging has become an important marketing tool; “increased competition and clutter on retail store shelves means that packages must now perform many sales tasks – from attracting attention, to describing the product, to making the sale” (Kotler et al., 2008). Consequently, RM will feature a highly recognizable and artistic packaging design that will help the brand to stand out from the competition. “Packaging pushes products on the shelves into the spotlight and ideally provokes a positive emotional impulse in consumers” (Beiersdorf, 2015). Please refer to exhibit 4 to see examples of this artistic packaging (bear in mind that the package features should be developed by professionals and that the ones presented are only examples).

Package conception²

RM will develop a men's grooming line focusing on the shape of the primary package. One of the important features of the product's package is the materials used, which will be plastic for the whole line. This is a less costly material, makes the product lighter and less prone to breakage and, on the contrary of glass, there is no need for protections and it saves space in the

² It refers to the elements that are supposed to help in the protection, conservation, use and storage of the product (Lendrevie et al., 2015) There exists the bottles itself (primary package), which will be our focus, the cardboard box (secondary package), and the corrugated box (shipping package).

shelves. The table in exhibit 5 depicts another two important features of each product's package related to the conception, which are the package shape and size. The package shape for almost all products will be similar to a male body, as already shown in the concept description, with the exception for the men's facial moisturizer and men's anti-agers, which will be cylindrical shaped, because these are smaller bottles and designing a male body will be difficult. The sizes of the packages were determined taking into account the offerings from the competition and are presented in ml.

Package decoration³

The RM line will be very simple in terms of graphics. There won't be any pictures neither drawings on the label. Therefore, the logo/brand name, the name of the product and variation, the purpose of use, the expiry date and the ingredients will be the only present elements. In addition, the colours are a particularly important aspect for RM's grooming line, as already mentioned. Thereby, each of the 8 products will have a different colour. The proposed colour scheme should comprise bright and bold hues similar to the ones used in Renova Red Label products, as a way of making a connection to the mother brand. The choice of the colours (Exhibit 7) were made linking the benefits offered by each product and the colour code in occidental countries retrieved from Lendrevie and others (2015).

Pricing Policy

According to Dolan and Gourville (2014), "the job of the four P, price (...) is to specify how the value that has been created can be divided appropriately between the customer (providing her an incentive to buy the product) and the organization (covering the costs associated with the value-creation effort and providing funds for profit and reinvestment in the organization)".

³ It refers to the purely visual elements of the package (Lendrevie et al., 2015).

Pricing Strategy⁴

Price is the element of the marketing mix that captures the value created by the other elements, and it “can have a substantial impact on sales, profitability and market share” (Warc Best Practice, 2016). Thereby, by following a value-based pricing approach⁵ that will capture that value, a neutral pricing strategy should be implemented to all the products with the exception for the beard oil and the men’s anti-agers, that will follow a skim pricing strategy.

Before understanding how the pricing should be applied in reality, it is important to comprehend what does this means. Therefore, there are three different approaches:

- Skim Pricing⁶: This strategy only works if customers are not price sensitive; meaning, “when the profit from selling to relatively price-insensitive customers exceeds that from selling to a larger market at a lower price” (Nagle & Hogan, 2011). If using this strategy, companies have to make high marketing efforts to communicate a value that justifies a high price. RM will not follow this strategy for the majority of the product line because skim prices are unable to be adopted if the buyers consider the products in a particular market to be substitutable; if buyers are price insensitive belonging to a segment that places exceptionally high value on a product’s differentiating attributes. However, the beard oil and the men’s anti-agers have a competitive advantage, thus the pricing strategy applied in this case will be skimming, in which the margin for Renova will be higher. This can be done because “brands can command a price premium provided they stand out from the crowd” (Warc Best Practice, 2016). In the case of the beard oil, Renova will be a first mover for the channel in which it operates, and in regards to the men’s anti-agers, RM will develop an offer covering the entire male segment: a 1st wrinkles product

⁴ “Pricing strategies are the strategies that are put in place concerning price when selling a product or service” (Warc Best Practice, 2016).

⁵ “Value-based pricing is the method of setting a price by which a company calculates and tries to earn the differentiated worth of its products for a particular customer’s segment when compared to its competitor” (Dholakia, 2016).

⁶ “Designed to capture high margins at the expense of large sales volume (...) skim prices are high in relation to what most buyers in a segment can be convinced to pay” (Nagle & Hogan, 2011).

for the younger part of the customers' segment, and a complete anti-aging for the older customers.

- Penetration Pricing⁷: This strategy only works if customers are willing to change brands in response to lower prices, meaning if customers are price sensitive; “enough of the market must be adequately price sensitive to justify pricing low” (Nagle & Hogan, 2011). A penetration pricing will not be used because RM is a new comer to the category and customers would infer low quality from low prices.
- Neutral Pricing: “Involves a strategic decision not to use price to gain market share, while not allowing price alone to restrict it. (...) A firm generally adopts a neutral pricing strategy by default because market conditions are not sufficient to support either a skim or penetration strategy” (Nagle & Hogan, 2011). Neutral prices are not equal to those of competitors or near the middle of the range between the Cost of Goods Sold (COGS) and the Perceived Value (PV); instead “a neutral price can, in principle, be the highest or lowest price in the market and still be neutral” (Nagle & Hogan, 2011). This happens because “a neutral price is defined relative to the perceived economic value of the product” (Nagle & Hogan, 2011). In other words, this strategy involves setting a price in the range most buyers would deem reasonable or appropriate. Having said this, and after analysing all the possible strategies, RM will use a Neutral Value-Based Pricing equal to all customers for the rest of the product line, as we will see next.

Neutral Pricing Strategy

The neutral strategy entails following a value-based focus, meaning the coordination between the competition, the costs and the value perceived by the customers. “This cross-functional focus requires a balance between the customer's need to obtain good value for the price and the firm's need to cover costs and earn a suitable profit” (Nagle & Hogan, 2011). In essence, this

⁷ “Involves setting a price low enough to attract and hold a large base of customers. Penetration prices are not necessarily cheap, but they are low relative to perceived value in the target segment” (Nagle & Hogan, 2011).

strategy is customer value driven because starts its process with the customers and also because “the target price is based on estimates of value and the portion that the firm can expect to capture given the competitive alternatives” (Nagle & Hogan, 2011). Therefore, the price the customers can be convinced to pay will be established and Renova is going to challenge its producer to develop the products at a cost low enough to serve that market segment profitably (Nagle & Hogan, 2011).

The way to capture the key elements of value-based pricing strategy is through the Value-Pricing Thermometer, as shown in exhibit 8, in which there are three inputs that have to be computed in order to come up with the product price: True Economic Value (TEV)⁸, the Perceived Value (PV)⁹, and the organization’s Cost of Goods Sold (COGS).

True Economic Value

$$\text{TEV} = \text{cost of the next-best alternative} + \text{value of the performance differential}$$

The way to assess TEV takes into account the cost of the next-best alternative (the reference value), which in the case of Renova is Nivea Men, and the value of the performance differentials (see exhibit 9 for the main assumptions). Thereby, the premium assumed will be of 1€ with the exception for beard oil and anti-agers, as we will see next. For the TEV values for each SKU please refer to exhibit 10. Note that these values of TEV means that a fully informed, rational buyer should be indifferent between the next-best alternative and the new product under this cost structure. However, buyers are not fully informed and are not rational buyers, therefore it is important to understand the PV.

Perceived Value

The PV is typically less than the TEV for some reasons. Firstly, the customer might not be aware of the features and benefits that the product claims to offer. Also, even if the customer is

⁸ “Is the value that a fully informed buyer would or should ascribe to the product” (Dolan & Gourville, 2014).

⁹ “Is the perceived value of the product in the mind of the consumer. (...) the PV typically is less than (and is often much less than) the TEV” (Dolan & Gourville, 2014).

aware of it, he might be sceptical about those claims. Or even the buyer may not realize how important those benefits will be. Therefore, in order to face this, companies influence the PV via its marketing efforts (Dolan & Gourville, 2014). The marketing efforts can be seen in a range of activities “designed to communicate a message that influences value perceptions and raise willingness to pay” (Nagle & Hogan, 2011). The way to calculate the PV is as follows:

$$\text{PV} = \text{cost of next-best alternative} + \text{perceived value of performance differential}$$

Therefore, in order to assess a customer’s PV it is needed to look to the major findings of the second qualitative research presented in the research, and understand the customer’s belief about the specific benefits offered by RM products. For the PV values for each SKU please refer to exhibit 11.

Sourcing Costs

This input generally acts as floor for price and “represents a lower bound on the price an organization would be willing to set” (Dolan & Gourville, 2014). Since RM will outsource the production, in order to come up to the sourcing costs the process applied was: define the price to the consumer, which was based taking into account the existent prices of the competitive market and the maximum price consumers are willing to pay (that were found in the previously conducted research), then taking out VAT of 23%, taking out the retail margin of 35%¹⁰, taking out the margin for RM of 50%¹¹, and in the end establish a cost for the sourcing of the product (Exhibit 9 for the main assumptions). It is important to bear in mind that these costs are the costs from the producer to Renova, which do not include the transportation costs from Renova to the retailers, that is why they are called sourcing costs instead of COGS. The computations for deriving the sourcing costs can be seen in exhibit 12.

¹⁰ This margin was set by João Palmeira, the sales manager of Renova.

¹¹ This margin was set by João Plameira, the sales manager of Renova.

Having this said, the recommended prices per SKU are presented in exhibit 13 and RM will be able to achieve the 50% margin.

Skimming Pricing Strategy

Because RM will gain competitive advantage being the first mover for the oil for beard and the developer for the anti-agers, the margins captured can be higher. Hence, the skim price determination was similar to the neutral strategy, but with different TEV, PV and Sourcing Costs (Exhibit 10, 11 and 12). In this case a skimming strategy will be followed in order to capture high margins at the expense of large sales volume. Thus, the premium assumed for the TEV was of 4€ for the beard oil and 1,50€ for the anti-agers, and the perceived premium was considered to be of 2€ and 1,1€ respectively. Consequently, the recommended price for the oil for beard is 14€, with a price to retail of 7,40€. On one hand, the 14€ is an affordable price compared to the brands selling oil for beard outside the modern retailing channel. Also, the results from the conducted research showed that most respondents said they would see this product priced between 6€ and 10€, however, they only think the product would start to look expensive when priced above 15€. Furthermore, this price allows RM to establish higher margins of 80%. Concerning the men's anti-agers, RM will offer two different variations that will serve the whole segment. Because these are products with a poor offering in the market, RM is able to set a premium price. As a result, the recommended prices per SKU are presented in exhibit 13 and RM will be able to achieve an 80% margin in the beard oil, and 60% in the anti-agers.

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Appendix

Exhibit 1: SKU's per year

SKU / Year	Oil for beard ¹²	Post-Shave Balm	Deodorant Roll-On	Deodorant Spray	Post-Shave Gel	Post-Shave Lotion	Anti-Ager 1st wrinkles	Complete Anti-Aging ¹³
1	✓	✓	✓	✓				
2					✓	✓	✓	✓
3								
4								

SKU / Year	Fresh facial moisturizer	Facial moisturizer for sensitive skin	Pre-Shave Gel	Pre-Shave Foam	Bath and shower gel extra fresh	Bath and shower gel sensitive skin	Body Moisturizer fast dry	Body Moisturizer sensitive skin
1								
2								
3	✓	✓	✓	✓				
4					✓	✓	✓	✓

Exhibit 2: Natural vs. Organic ingredients

<u>Natural Ingredients</u>	<u>Organic Ingredients</u>
<ul style="list-style-type: none"> - Not highly regulated - Food items not altered chemically or synthesized - Derived from plants and animals 	<ul style="list-style-type: none"> - Highly regulated - Organically farmed ingredients - Sourced and produced naturally

¹² Renova will be a first mover in Portugal for this product. See exhibit 6 for more information regarding the product.

¹³ The complete anti-aging means that the product both smooths the wrinkles, moisturizes skin for 24 hours, antipele dull, firms skin and revitalizes skin.

Exhibit 3: Product's Performance

	Performance
Men's Post-Shave	Soothes and repairs irritated skin. Make skin and beard healthier, resistant and soft after shaving, leaving a sense of freshness. Pleasant fragrance.
Oil for Beard	Make beards shiny, soft and healthy. Stimulates beard growth. Pleasant fragrance.
Men's Facial Moisturizer	Makes the skin look good through protection and making skin healthier. Makes skin soft and not dry. Pleasant fragrance.
Men's Anti-Agers	Prevents and reduces wrinkles and fatigue. Pleasant and discreet fragrance.
Men's Body Moisturizer	Protects and avoids dry skin, giving a good looking. Dries fast. Pleasant fragrance.
Men's Bath and Shower	Ensure cleanliness. Pleasant fragrance.
Men's Deodorants	Pleasant fragrance and long lasting protection against odours.
Men's Pre-Shave	Make shaving easier. Provides a comfortable and refreshing shaving experience. Avoids dry and irritated skin after shaving. Pleasant fragrance.

Exhibit 4: Artistic package example



*Note: The packaging images were adapted from the brand Jean Paul Gaultier to serve as inspiration only for the desired packaging design of Renova Men.

Exhibit 5: Package shape and size

	Package Shape	Package Size
Men's Post-Shave	Male body	100 ml
Oil for Beard	Male body	30 ml
Men's Facial Moisturizer	Cylindrical Shape	50 ml
Men's Anti-Agers	Cylindrical Shape	50 ml
Men's Body Moisturizer	Male body	300 ml
Men's Bath and Shower	Male body	300 ml
Men's Deodorants	Male body	50 ml roll-on; 150 ml spray
Men's Pre-Shave	Male body	200 ml

Exhibit 6: Oil for bear | Benefits

(Retrieved from Barba Brada website, 15th, June, 2016: <http://www.barbabrada.com/>)

- Moisturize the Beard Yarn: As your beard grows, it is normal for the yarns to dry out, especially at the ends. The oil helps to compensate by moisturizing the whole wires
- Strengthen the wires: Jojoba oil in combination with argan oil has an incredible action on the hair bulb and wire structure, repairing and strengthening the bulb well in the scales of the wires so that they are more resistant to breakage
- Conditioning action: Due to the emollient nature of the ingredients, your beard does not get dry, even in adverse conditions such as sun exposure or dry environment.
- Make your beard softer: with hydration and conditioning, the wires will become more malleable and less "hard". It is also easier to align the wires with the beard comb after the use of the beard oil.
- Brings shine and life: your beard will look bright and look alive as a result of hydration and nourishment.
- Leaves your beard with an incredible smell: your beard will smell incredible and extremely masculine.

Exhibit 7: Packaging colours

	Packaging Colours	Associations
Men's Post-Shave	Black	Luxury, distinction, rigor
Oil for Beard	Purple	Nobility, royalty, mysticism, power
Men's Facial Moisturizer	Red	Passion, dynamism, sex, masculinity
Men's Anti-Agers	Green	Nature, life, hope, fertility, satisfaction, freshness
Men's Body Moisturizer	Yellow	Sun, Summer, intelligence, science, action, joy, happiness
Men's Bath and Shower	Blue	Faith, supernatural, justice, tranquillity, cleanliness, hygiene
Men's Deodorants	Orange	Energy, activity, ambition, living together
Men's Pre-Shave	White	Purity, perfection, truth

Exhibit 8: Value Pricing Thermometer

Retrieved from Dolan and Gourville (2014)

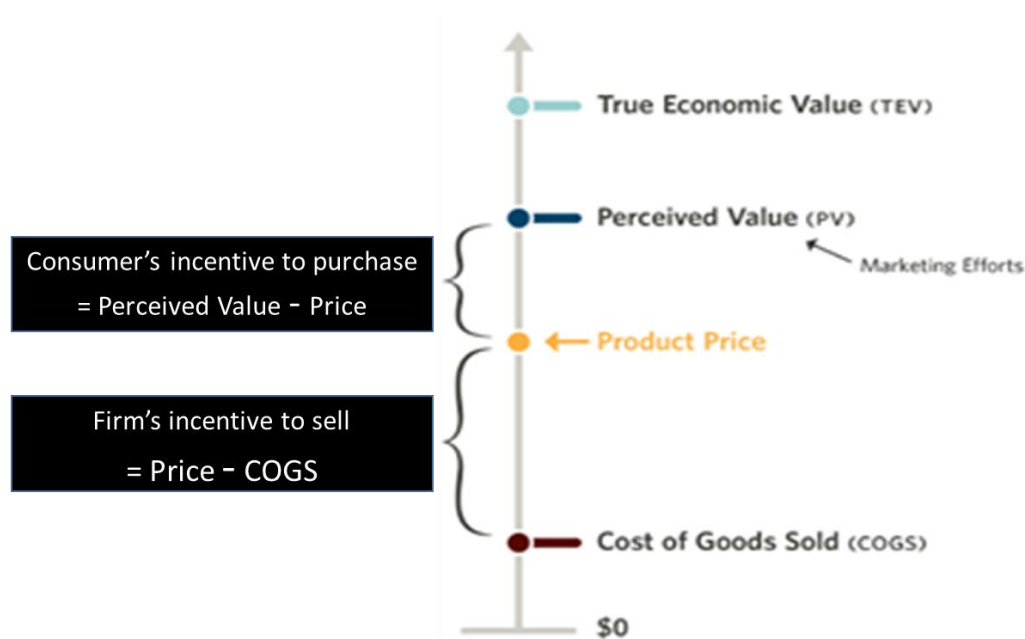


Exhibit 9: Main assumptions for Pricing Strategy

- 1) The next-best alternative of Renova is Nivea, the most direct competitor since it is the brand with the highest brand share operating in the same channel as Renova will, and the one with a complete line of men's grooming products, just as Renova will have.

- 2) The cost of the next-best alternative was observed in three different retailers/platforms: Continente, Pingo Doce, Jumbo. For the oil for beard, because Renova will be the first mover in the hypermarkets and supermarkets, the cost of the next-best alternative was observed in Barba Brada online store. For each product there is a different cost of next-best alternative, which is an estimate of the several products' price of the brand.
- 3) The performance differentials estimated comparing Renova with Nivea are not objective values, but a mix of competitive advantages mainly based in transformational aspects such: is a Portuguese brand, with a long history and very high brand awareness and familiarity among the Portuguese population, the concept is simpler, have a convenient purchase and usage, designed specifically for men, more compatible in terms of smell.
- 4) According with the information provided by João Palmeira, the Renova sales manager, it was assumed a permanent margin of 35% for retailers.
- 5) It was assumed that all the retailers should be equally treated (assuming then a 35% margin for every retailer).
- 6) The sourcing costs were computed with a 35% retail margin, however, because there is a plus of 15% for trade contract with the retailer, when selling to them we increase the price in 15% in order to compensate for the added cost.
- 7) According to João Palmeira, the Renova margin will be 50%, with the exception for the products with a competitive advantage (Oil for beard and men's anti-agers).

Exhibit 10: TEV for each SKU

	TEV
	Cost of next-best alternative (Nivea products, Barba Brada) + Premium
Men's Post-Shave Balm 100 ml	6,99€ + premium of 1€ = 7,99€
Men's Post-Shave Gel 100ml	7.49€ + premium of 1€ = 8.49€
Men's Post-Shave Lotion 100ml	6.79€ + premium of 1€ = 7.79€
Oil for beard 30 ml	16,95€ + premium of 4€ = 20,95€
Men's Facial Moisturizer Fresh 50ml	6.99€ + premium of 1€ = 7.99€
Men's Facial Moisturizer Sensitive skin 50 ml	7,79€ + premium of 1€ = 8,79€
Men's Anti-Agers 1 st wrinkles 50 ml	12,99€ + premium of 1,50€ = 14,49€
Men's Complete Anti-Aging 50 ml	12,99€ + premium of 1,50€ = 14,49€
Men's Body Moisturizer Fast Dry 300 ml	3,99€ + premium of 1€ = 4,99€
Men's Body Moisturizer Sensitive Skin 300 ml	3,99€ + premium of 1€ = 4,99€
Men's Bath and Shower Extra Fresh 300 ml	2,80€ + premium of 1€ = 3,80€
Men's Bath and Shower Sensitive Skin 300 ml	2,80€ + premium of 1€ = 3,80€
Men's Deodorants, Roll-on 50 ml	3,05€ + premium of 1€ = 4,05€
Men's Deodorants, Spray 150 ml	3,29€ + premium of 1€ = 4,29€
Men's Pre-shave Gel 200 ml	3,99€ + premium of 1€ = 4,99€
Men's Pre-shave foam 200 ml	2,99€ + premium of 1€ = 3,99€

Exhibit 11: PV for each SKU

	PV
	Cost of next-best alternative (Nivea products, Barba Brada) + Perceived Premium
Men's Post-Shave Balm 100 ml	6,99€ + perceived premium of 0,6€ = 7,59€
Men's Post-Shave Gel 100 ml	7.49€ + perceived premium of 0.6€ = 8.09€
Men's Post-Shave Lotion 100ml	6.79€ + perceived premium of 0.6€ = 7.39€
Oil for beard 30 ml	16,95€ + perceived premium of 2€ = 18,95€
Men's Facial Moisturizer Fresh 50 ml	6.99€ + perceived premium of 0,6€ = 7.59€
Men's Facial Moisturizer Sensitive Skin 50 ml	7,79€ + perceived premium of 0,6€ = 8,39€
Men's Anti-Agers 1 st wrinkles 50 ml	12,99€ + perceived premium of 1,1€ = 14.09€
Men's Complete Anti-aging 50 ml	12,99€ + perceived premium of 1,1€ = 14.09€
Men's Body Moisturizer Fast Dry 300 ml	3,99€ + perceived premium of 0,6€ = 4,59€
Men's Body Moisturizer Sensitive Skin 300 ml	3,99€ + perceived premium of 0,6€ = 4,59€

Men's Bath and Shower Extra Fresh 300 ml	2,80€ + perceived premium of 0,6€ = 3,40€
Men's Bath and Shower Sensitive Skin 300 ml	2,80€ + perceived premium of 0,6€ = 3,40€
Men's Deodorants, Roll-on 50 ml	3,05€ + perceived premium of 0,6€ = 3,65€
Men's Deodorants, Spray 150 ml	3,29€ + perceived premium of 0,6€ = 3,89€
Men's Pre-shave gel 200 ml	3,99€ + perceived premium of 0,6€ = 4,59€
Men's Pre-shave foam 200 ml	2,99€ + perceived premium of 0,6€ = 3,59€

Exhibit 12: PVP + Retail Price + Sourcing Costs' Calculations

Variables	Post-Shave Balm	Post-Shave Gel	Post-Shave Lotion	Oil for beard	Facial Moisturizer Fresh care	Facial Moisturizer sensitive skin	Anti-agers 1st wrinkle s	Complete Anti-Aging
Recommended price (PVP)	6,99€	7,29€	6,99€	14,00 €	7,79€	8,29€	10,75€	10,75€
Price w/o VAT	5,68€	5,92€	5,68€	11,38 €	6,34€	6,74€	8,74€	8,74€
Retail Margin	35%	35%	35%	35%	35%	35%	35%	35%
VAT	23%	23%	23%	23%	23%	23%	23%	23%
Price to Retail	3,69€	3,85€	3,69€	7,40€	4,12€	4,38€	5,68€	5,68€
Renova Margin	50%	50%	50%	80%	50%	50%	60%	60%
Sourcing Costs	1,85€	1,93€	1,85€	1,48€	2,06€	2,19€	2,33€	2,33€
Variables	Body Moist . fast dry	Body Moist. Sensitive skin	Bath and Shower extra fresh	Bath and Shower sensitive skin	Deodorant roll-on	Deodorant spray	Pre-Shave Gel	Pre-Shave foam
Recommended price (PVP)	4,29€	4,29€	3,00€	3,00€	3,00€	3,49€	4,59€	2,99€
Price w/o VAT	3,49€	3,49€	2,44€	2,44€	2,44€	2,84€	3,73€	2,43€
Retail Margin	35%	35%	35%	35%	35%	35%	35%	35%
VAT	23%	23%	23%	23%	23%	23%	23%	23%
Price to Retail	2,27€	2,27€	1,59€	1,59€	1,59€	1,84€	2,43€	1,58€
Renova Margin	50%	50%	50%	50%	50%	50%	50%	50%
Sourcing Costs	1,13€	1,13€	0,79€	0,79€	0,79€	0,92€	1,21€	0,79€

Exhibit 13: PVP per SKU

Product Offer	Post-Shave Balm	Post-Shave Gel	Post-Shave Lotion	Oil for beard	Facial Moisturizer Fresh	Facial Moisturizer Sensitive	Anti-Ager 1st wrinkle s	Anti-Ager complete
TEV	7,99€	8.49€	7.79€	20.95 €	7.99€	8.79€	14,49€	14,49€
PV	7,59€	8.09€	7.39€	18.95 €	7.59€	8.39€	14,09€	14,09€
Price to Retail	3.69€	3.85€	3.69€	7.40€	4.12€	4.38€	5.68€	5.68€
Recommended Price (PVP)	6.99€	7.29€	6.99€	14.00 €	7.79€	8.29€	11,00€	11,00€

Product Offer	Body Moisturizer Fast Dry	Body Moisturizer Sensitive skin	Bath and Shower Extra Fresh	Bath and Shower Sensitive Skin	Deodorant Roll-on	Deodorant Spray	Pre-Shave Gel	Pre-Shave foam
TEV	4.99€	4.99€	3.80€	3.80€	4.05€	4.29€	4,99€	3,99€
PV	4.59€	4.59€	3.40€	3.40€	3.65€	3.89€	4,59€	3,59€
Price to Retail	2.27€	2.27€	1.59€	1.59€	1.59€	1.84	2,43€	1,58€
Recommended Price (PVP)	4.29€	4.29€	3.00€	3.00€	3.00€	3.49€	4,59€	2,99€